

LFC Requester:**Kelly Klundt****AGENCY BILL ANALYSIS
2016 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:****LFC@NMLEGIS.GOV***and***DFA@STATE.NM.US***{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}***SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}**Check all that apply:*Original ☒ Amendment ☐
Correction ☐ Substitute ☐**Date** Jan. 25, 2016**Bill No:** HB 200**Sponsor:** Rep. Nora Espinoza**Agency Code:** 305**Short** Public Works Prevailing Wage**Person Writing** Sean Cunniff**Title:** & Projects**Phone:** 827-6469**Email** scunniff@nmag.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

HB 200 generally proposes three changes to New Mexico's system of setting prevailing wage rates for construction workers on certain public works projects.

First, the bill seeks to exempt "public roads" projects and projects at "educational institutions" from the scope of the prevailing wage provisions.

Second, the bill seeks to jettison the existing method for calculating craft-specific wage rates, which generally involves having the Dept. of Workforce Solutions ("DWS") set prevailing wage rates based upon rates contained in collective bargaining agreements. Under the approach set forth in the proposed legislation, DWS would instead be responsible for setting wage rates by conducting a "continuing statewide field survey" of wage information and also "encourage the voluntary submission" of such information from "contractors, contractors' associations, labor organizations, interested persons and public officers."

Third, the bill proposes a hard cap on such rates, providing that New Mexico's prevailing wage rates "shall" not be higher than rates set pursuant to the federal prevailing wage law, the so-called Davis-Bacon Act, 40 U.S.C. 3141 to -3148.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

The impact of the bill is to exclude two categories of public works projects from the statutory prevailing wage rate scheme and to significantly depart from reliance on collectively bargained agreements to set wage rates, instead investing significant new discretion in DWS in setting such rates. By so doing, the potential for inconsistent execution of this discretion arises.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

Consider defining “educational institutions.”

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The status quo, whereby wage rates are largely set in a uniform fashion pursuant to collective bargaining agreements, will remain in place.

AMENDMENTS